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FEDERAL COMMUNICATIONS COMMISSION
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
ADVANCED TELEVISION SYSTEMS AND)
THEIR IMPACT ON THE EXISTING)
TELEVISION BROADCAST SERVICE)

MM Docket No. 87-268

AT&T COMMENTS

Pursuant to the Commission's May 8, 1992 Second Report and Order/Further Notice of Proposed Rulemaking ("FNPRM"),¹ American Telephone and Telegraph Company ("AT&T") hereby comments on issues raised by the Commission concerning the selection and implementation of an advanced television system ("ATV" or "HDTV").

The FNPRM seeks comment on, among other things: (i) the timetable for conversion to HDTV; (ii) simulcasting requirements; (iii) HDTV-to-NTSC converter boxes; (iv) compatibility issues; and (v) patent licensing. In its comments, AT&T addresses these issues. AT&T supports the Commission's HDTV conversion and simulcasting requirements, which will encourage the rapid and efficient implementation of HDTV. The impact of the conversion schedule on consumers who continue to have NTSC receivers should be mitigated by the likely availability of competitively priced converter boxes which will enable NTSC equipment to receive HDTV

¹ Advanced Television Systems and Their Impact upon the Existing Television Broadcast Service, MM Docket No. 87-268, FCC 92-174 (released May 8, 1992).

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signals. In sum, AT&T demonstrates that no delay in Commission action is necessary or appropriate as result of issues related to HDTV conversion, technological compatibility, or any other matter.

I. The Timetable For Conversion To HDTV

The Commission concluded that definite application and construction deadlines are essential to the goal of bringing HDTV to the American public quickly.² Consequently, the Commission imposed such deadlines requiring broadcasters to implement HDTV broadcasting capabilities.³

AT&T supports the Commission's imposition of conversion deadlines because the success of HDTV will depend on offering significant volumes of HDTV programming to consumers.⁴ Consumers will not purchase HDTV receivers until sufficient HDTV programming is offered to create consumer demand, and HDTV receiver prices will not fall until large volumes of receivers are manufactured and sold.

For the same reasons, AT&T supports the Commission's decision to conclude the transition to HDTV as soon as possible. The 15-year transition schedule will

² FNPRM, para. 21.

³ FNPRM, paras. 23-24.

⁴ Substantial amounts of HDTV programming material will be readily available to broadcasters (e.g., existing libraries of 35mm movies).

permit equipment manufacturers, broadcasters and consumers all to accept the conversion without significant market disruption or uncertainty. Although the Commission proposes to review the conversion schedule in 1998,⁵ the schedule should not be changed without a substantial showing that a change is necessary to serve the public interest. A firm conversion schedule will permit long-term planning concerning the continued design and manufacture of NTSC receivers without requiring manufacturers and receiver purchasers to "guess" whether the Commission will change the conversion dates significantly.

Moreover, a firm schedule for the termination of NTSC broadcasting will permit the Commission and industry to develop plans to use the channels which will be vacated when the conversion period concludes. This new spectrum can support new services and technologies offering benefits to the American public which should not be delayed unnecessarily.

II. Simulcasting

The Commission also tentatively concluded that it would require 100 percent simulcasting of programming shown on the HDTV channels no later than four years after conclusion of a five-year application and construction period.⁶ Thus, 100 percent simulcasting of HDTV programming

⁵ FNPRM, para 55.

⁶ FNPRM, para 60.

would be required nine years after the HDTV standard becomes effective. This transition period ensures that NTSC receivers do not become obsolete prematurely, while promoting the deployment of HDTV equipment and programming.

III. HDTV-To-NTSC Converter Boxes

The Commission sought comments on the likely availability and cost of home downconverters which would permit consumers to receive HDTV programming on NTSC receivers.⁷ Although it is not currently a receiver manufacturer, AT&T is a system proponent, a chip manufacturer and currently a manufacturer of a broad array of communications equipment. Based on its experience, AT&T projects that the cost of consumer converters could fall to the \$200 range in today's dollars by the end of the 15-year conversion period when converters would be necessary for NTSC receiver owners to receive programming. At these prices, the HDTV conversion period can be brought to a close without forcing those consumers who continue to have NTSC receivers to purchase HDTV receivers.

IV. Compatibility Requirements

The Commission recognized that technological compatibility is important, but decided that no further Commission action is necessary at this time because

⁷ FNPRM, paras. 54, 66.

compatibility issues are being addressed fully in the Advisory Committee proces.⁸ The Commission's conclusion that compatibility is significant but that absolute levels of compatibility should not be mandated, strikes the right balance -- implement technological compatibility, but only to the extent feasible without jeopardizing the Commission's basic goals in this proceeding. For example, compatibility should not be increased if the consequence is that ATV becomes too expensive for consumers. The Commission's approach is appropriate because technological compatibility is not an "all or nothing" concept. Instead, there is a spectrum of achievable compatibility levels against which the Commission's other goals must be balanced.

The Commission specifically directed the Advisory Committee to consider the extensibility of HDTV proposals with respect to the adoption of advanced audio performance capabilities.⁹ AT&T agrees that audio extensibility is significant, and points out that the digital Zenith-AT&T HDTV proposal can readily accommodate the audio advances discussed by the Commission.

V. Technological Developments

The Commission also asked parties to discuss the Advisory Committee's conclusion that the systems currently

⁸ FNPRM, paras 70-73.

⁹ FNPRM, paras. 78-79.

under consideration represent the state of available technology.¹⁰ AT&T is aware of no new technological developments with respect to compatibility or other HDTV characteristics which warrant any delay in the selection of an HDTV system. Further technological developments will always occur, but an all-digital system such as that proposed by Zenith and AT&T can accommodate such developments if appropriate.

VI. Patent Licensing

The Commission concluded that it would condition selection of a winning HDTV system on the proponent's commitment to reasonable and nondiscriminatory licensing of relevant patents.¹¹ In accordance with the Advisory Committee's requirements, AT&T and other system proponents have already agreed to follow the patent policy of the American National Standards Institute ("ANS"), which mandates reasonable licensing practices, if their system is selected. Accordingly, AT&T endorses the Commission's decision to impose no additional requirements at this time.

¹⁰ FNPRM, para. 80.

¹¹ FNPM, para. 69.

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CONCLUSION

For the reasons stated herein and in AT&T's previous submissions, the Commission should continue to establish firm schedules for implementing HDTV. Delays in the Commission's process are neither necessary nor appropriate.

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